

Review of the Measurement of Ethnicity

Policy Perspectives Paper

Main Paper

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Introduction

Statistics New Zealand is conducting a review of the measurement of ethnicity in official social statistics. This paper is part of a series of perspective papers that aim to provide background information to the review. A general overview is provided in the "Review of the Measurement of Ethnicity Background Paper".

The purpose of this paper is to identify key issues for policy development in regard to existing sources of ethnicity data, and to discuss the statistical needs of policy-based agencies. It will cover the following topics:

- The collection of ethnicity data;
- Key policy needs and uses for information on ethnicity;
- Key issues in the collection and uses of the data.

The paper will also provide background information on the ways in which ethnicity data is produced and used by a range of public policy agencies¹.

Ethnicity data collection

Ethnicity is defined in the current Statistics New Zealand standard as the ethnic group or groups that people identify with or feel they belong to. Ethnicity is self-perceived and people can belong to more than one ethnic group. An ethnic group is defined in the current standard as a social group whose members have the following four characteristics:

- Share a sense of common origins;
- Claim a common and distinctive history and destiny;
- Possess one or more dimensions of collective cultural individuality;
- Feel a sense of unique collective solidarity.

Although the common definition of ethnicity is based on a cultural affiliation concept, questions about ethnicity in data collections are often asked without providing an explanation of the meaning of the concept. In general, broad-based government policies that target social and economic assistance to ethnic groups are usually based on ethnicity population counts. But individual eligibility for Māori and Pacific scholarships or grants is usually based on

¹ Refer to the Appendix for details.

ancestry or descent. The Māori descent population is used to establish and review electoral boundaries and to identify the number of Māori eligible for benefits under the Māori Affairs Act 1953 and the Te Ture Whenua Māori Act 1993.

A wide range of government agencies, and some non-government organisations, collect ethnicity data. Agencies such as Statistics New Zealand collect ethnicity data specifically for statistical and analytical purposes, but ethnicity data is more commonly collected by agencies as part of their administrative systems. It is also a statutory requirement under the 1975 Statistics Act for Statistics New Zealand to collect information on ethnic origin in the Census of Population.

Ethnic statistics are usually produced by the government agencies that collect the data, although there are exceptions to this. For example, birth and death registrations are collected by the Department of Internal Affairs, but the data is processed and analysed by Statistics New Zealand. Agencies such as Te Puni Kōkiri, the Ministry of Pacific Island Affairs, the Department of Labour and the Ministry of Women's Affairs do not routinely collect ethnic data, but analyse data collected by others.

Although ethnicity data is often collected and coded at a detailed level, the data may be output or analysed at an aggregate level, with commonly used categories being Māori, Pacific peoples, Asian, European and Other. Another common way to produce data is with a Māori/non-Māori split.

Policy needs and uses for ethnicity data

Government agencies, local authorities and non-government organisations use information on ethnicity to develop, inform, support, monitor and evaluate policies, programmes and services. Major uses of ethnicity data are:

- as a basis for monitoring and reporting changes and disparities in outcomes among ethnic groups over time;
- to monitor progress with implementing the obligations of the Treaty of Waitangi;
- to monitor the changing ethnic diversity of New Zealand's population at national, regional and local levels, so that service delivery can be appropriately targeted;
- to estimate future trends through population estimates and projections for Māori, non-Māori, Pacific and Asian populations;
- to monitor the demographic, social and economic progress of, and outcomes for, ethnic groups;
- to evaluate the impact of central and local government policies on the economic and social well-being of ethnic groups;
- to model the impacts and costs of policy changes, and to forecast expenditure on services for particular groups;
- to allocate funding to particular groups on the basis of need;

- to assist in the delivery of services in a culturally appropriate way and to plan social services which meet the special needs of ethnic groups; and
- to identify significant communities of interest for liaison and development purposes.

Key issues in the collection and use of ethnicity data

One of the biggest challenges for official statistical collections has been obtaining consistent ethnicity data in all surveys and collections, particularly across government agencies. Data from a large number of collections is combined with census data to produce official measures which are then used to monitor disparities in a range of areas such as education, health, employment and unemployment, income, housing and crime. Unless consistent ethnicity data is available, valid and reliable measures cannot be produced. For example, until 1 September 1995 births and deaths registration data was based on a biological concept, and while this approach was in the past consistent with that used in the census, the shift to a concept based on self-identification at the 1986 census resulted in numerators and denominators which were conceptually inconsistent.

Monitoring social change over time is an important component of measuring the impact of policies designed to improve outcomes for disadvantaged groups such as Māori, Pacific peoples and other ethnic minorities. Changes in the measurement of ethnicity over time have affected the validity of social measures because of inconsistencies in the data. Inaccurate ethnicity data may result in inadequate funding and allocation of resources to particular ethnic groups.

Lack of consistency across different collections means data will not be comparable and this is a particular problem where two different data sources are used to produce ethnic rates. An example is where census data is used as a denominator to hospital admissions data to produce morbidity rates. Lack of consistency can also create problems when integrating data at a unit record level. This is particularly relevant to the proposed integration of administrative datasets across government agencies. For example, if a person's ethnicity has been recorded differently in each dataset, which one should be used when the datasets are integrated?

The use of a standard concept may improve consistency where data from different sources is being integrated, but this may not be sufficient to produce valid and reliable ethnicity measures. A standard ethnicity question across collections may not result in consistent responses because the way the question is administered may differ. For example, a self-administered questionnaire and a face-to-face interview may elicit quite different responses.

In administrative collections, the person providing information is often someone answering on the subject's behalf. For example, in the hospital situation it is usually the role of the admissions clerk to ensure that all relevant

personal information is recorded on the patient record. In some cases, instead of asking the patient or another person who can respond on the patient's behalf, the clerk may guess the patient's ethnicity, usually on the basis of patient's appearance or name. The potential for misclassification is very high.

Even where the question is administered correctly and respondents are asked to self-identify their ethnicity, it is not always made clear to them that they can specify more than one ethnic group. The extent to which people with multiple ethnic affiliations tick the first box on the list is unknown. There are also agencies that use the standard question module but do not allow for multiple responses, and others that, while allowing respondents to tick more than one category, code only one response.

An issue that has received recent attention in the media has been the prioritisation of multiple responses to ethnicity data. Statistics New Zealand produces total responses as standard output for ethnicity. In this type of output, respondents are counted in each ethnic group they have identified with, and may identify up to six², so the sum of individual groups does not equal the total population. This is problematical in some situations, such as the distribution of funding based on population numbers, or when looking at the ethnic composition of the population and how it differs among regions. Another issue is comparability with other data sources where only one ethnic group is collected. However, it more accurately represents the data produced from the ethnicity question.

A further problem affecting data quality is the high level of incompleteness and non-response to ethnicity questions. This is particularly problematical in administrative collections. In some collections the ethnicity question is not mandatory. There may be respondent antagonism towards the collection of information about ethnicity, or a lack of awareness about the importance and uses of ethnic information by staff administering the forms. A lack of clarity, or misunderstanding, of the meaning of the term (ethnicity) may also affect responses to the question.

It can be difficult for policy makers and researchers to obtain good information on Māori and Pacific people from sample surveys, as sample sizes are often too small to be disaggregated by ethnic group. A common approach to try and counter this is by increasing the number of Māori and Pacific people in the sample by various over-sampling methods. However, Māori and Pacific populations are relatively small, and this approach creates issues of respondent burden on these populations.

One issue that has impacted on Māori policy development has been the definition of Māori. For example, some agencies have suggested that Māori-based policies should focus on the sole Māori population, or those who identify as Māori only, rather than the total Māori ethnic group population. There has also been debate as to whether traditional groupings such as iwi or hapū are more relevant measures of the Māori population.

² Prior to the 2001 Census only three responses were counted.

Ethnic data is often used in conjunction with other social variables, such as country of birth or length of residence in New Zealand. This type of analysis is particularly useful in providing information on the status of recent migrants to New Zealand.

An emerging issue for policy-makers, particularly in the area of social welfare, is how to define ethnic families and households. Although government policy initiatives have tended to focus more on families and households in recent years, there is no standard way to define these groups by ethnicity, for statistical purposes.

The quality of ethnicity information could be improved by using common definitions and consistent practices across the government sector. Statistics New Zealand has encouraged other government agencies to use the Statistics New Zealand Statistical Standard for Ethnicity, last revised in 1995, in the measurement of ethnicity. However, in practice, there is a range of approaches being used, some of which do not meet the 1995 standard. This in part reflects the difficulty of implementing change in a statistic that cuts across a range of survey and administrative systems. There are costs involved that must be met by the individual agencies. These include the costs of printing new forms, changing existing processing and information systems and training and preparing guidelines for staff involved in the collection and processing of data.

Ethnicity is a fluid concept that changes over time and in different situations, which makes it difficult to measure long-term trends, regardless of which method is used to collect data. To obtain greater stability in data, a more objective concept may be needed. However, one of the main barriers to measuring ethnicity in statistical collections is the sheer complexity of the subject, coupled with increasing public sensitivity to the question.

Summary

This paper has outlined key issues for policy development in regard to ethnicity data, and has outlined how ethnic information is used in New Zealand, particularly in the government sector. Major uses of the data are in profiling the economic and social status of ethnic groups, monitoring outcomes, planning for future needs and targeting the delivery of services.

Ethnicity is currently measured using a cultural affiliation or identity concept, rather than a race-based biological concept. Statistics New Zealand is a major producer and user of ethnicity information, and its data is used by a wide range of agencies. Other areas where ethnicity is an important variable in social analysis are health, education, employment and justice.

One of the biggest challenges for official statistical collections is the implementation of a standard approach to collecting and processing ethnicity data across the government sector. There are a number of factors that make

this difficult, such as the different settings in which the information is collected, differences between administrative and survey-based collections and the wide range of personnel involved in collecting the information. The quality of ethnic information could be improved by the use of common definitions and consistent practices across the public policy sector. However, other key issues that need to be addressed as part of the review include the fluidity of the concept, public perception of the question, and the sheer complexity of the subject itself.

References

Statistics New Zealand (1996). *NZ Standard Classification of Ethnicity 1996*.

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Te Puni Kōkiri (2000). *Progress Towards Closing the Social and Economic Gaps between Māori and non-Māori*. Te Puni Kōkiri, Wellington.

APPENDIX: GOVERNMENT AGENCIES AS PRODUCERS AND USERS OF ETHNICITY DATA

Note: This list gives examples of major government users and producers of ethnicity data. It does not include all government agencies.

Statistics New Zealand

Ethnicity data is collected in a range of SNZ surveys and data collections, for example:

- NZ Census of Population and Dwellings
- Household Labour Force Survey
- Household Economic Survey
- New Zealand Income Survey
- One-off surveys, such as Household Health Survey, Childcare, Gaming, Time Use Survey etc.
- Birth and Death Registrations (collected by Internal Affairs and produced by Statistics New Zealand)
- Abortion statistics

Ethnicity is an important variable in the analysis of social and economic trends and in producing a wide range of social and population statistics. Major uses include:

- social and economic indicators;
- population estimates;
- population projections;
- fertility and mortality rates;
- selection of samples for surveys; and

- post-stratification of survey data.

Ministry of Health³

The Ministry of Health collects ethnic information about patients discharged from hospital, patients diagnosed with cancer, and uses death registration data collected by Internal Affairs to analyse mortality trends. Some primary health care providers (e.g. general practitioners) are now collecting ethnicity information from their clients, but no publicly available statistics are produced from this.

Ethnicity is an important variable in the calculation of mortality and morbidity statistics. Census data is used as a denominator for calculating national and regional population-based health measures such as incidence and mortality rates in particular ethnic groups, from diseases such as cancer and heart disease. This information can then be used to develop programmes and policies that aim to reduce health disparities among ethnic groups.

The Ministry of Health has developed a population-based funding formula to determine how much of the health dollar should be distributed to each region⁴. Ethnicity is a key component of this formula and integral to determining how much funding should be allocated to a particular region.

Ministry of Education

The Ministry of Education receives data from early childhood, primary, secondary and tertiary education providers twice a year. Information on ethnicity is provided in aggregate form to the Ministry from all sectors except tertiary institutions, which provide unit record data. This information is used to produce a range of education statistics on such areas as:

- attendance / participation rates;
- school suspensions;
- school leavers / highest qualification;
- achievement levels.

Educational participation rates by ethnicity are calculated for census years only. The Ministry of Education does not use ethnic inter-censal population estimates as it believes these estimates are not accurate due to the lack of ethnic data on external migration.

Department of Work and Income (DWI)

Employment statistics are generated by Statistics New Zealand from the Household Labour Force Survey and from the five-yearly Census of Population, as previously noted. The official unemployment rate is produced

³ Personal communication, Ministry of Health

⁴ Other mainstream agencies use ethnicity data in a similar way. For example, the Ministry of Education uses information about the number of Māori pupils to assist in the distribution of Māori factor funding.

for Māori, Pacific, European and Other ethnic groups. The Department of Work and Income also collects ethnicity information from job seekers during the interview process. Their SOLO database collects ethnic information on all registered unemployed persons and the SWIFT database collects ethnic information on people receiving social welfare benefits but ethnicity is not a compulsory field. DWI has begun work on combining the two systems, which will give consistent information on ethnicity.

Te Puni Kōkiri

Te Puni Kōkiri monitors and reports on the social and economic position of Māori, using statistics generated by other government agencies. For example, its publication *“Progress Towards Closing the Social and Economic Gaps between Māori and non-Māori”* (2000) uses Statistics New Zealand data from the Household Labour Force Survey, the New Zealand Income Survey and the census to measure disparities between Māori and non-Māori. This publication also uses data from the New Zealand Health Information Service, the Ministry of Education and justice sector agencies to analyse disparities. Ethnicity data is used by Te Puni Kōkiri and other government agencies to assist in the allocation of resources to Māori.

Ministry of Pacific Island Affairs

The Ministry of Pacific Affairs monitors and reports on the social and economic position of Pacific peoples, using statistics generated by other agencies.

Office of Ethnic Affairs

This is a newly established office reporting to the Minister of Ethnic Affairs, which plays a key role in commenting on whether the policy and operations of different departments and agencies are meeting the needs of ethnic groups (other than Māori or Pacific groups, which have specific ministries).

Justice sector agencies

The Department of Corrections collects ethnicity from people serving prison sentences or in community correction programmes. The Department for Courts collects ethnicity from people on domestic violence programmes and applicants to the Family Court. The Police collect data on the ethnic group of offenders, with only one ethnic response allowed.

The Ministry of Justice uses ethnicity data collected from agencies such as Police and Corrections, together with population data from the census, to calculate crime rates and prison statistics. Ethnicity information is also collected and analysed in a range of one-off surveys carried out by the Ministry, such as the Crime Victimisation Survey.

Other Agencies

Although it is not a central government agency, Te Rōpū Rangahau Hauora a Eru Pōmare is an important user of ethnicity data for public policy related work. It uses census data on the sole Māori population to calculate population-based Māori health indicators and to produce time-series analyses of Māori health. This group has expressed its concern about the change in the size of the sole Māori population enumerated in the 1996 Census compared with 1991, as this has created inconsistencies in time series analyses of Māori health.

The Department of Labour, Housing New Zealand, ACC, Child Youth and Family Services, Skill New Zealand and Treasury are examples of other government agencies that produce and/or use ethnicity data. The Ministry of Social Policy collects ethnicity data only as part of specific research and evaluation projects, but analyses ethnicity data collected by agencies that deliver social services, such as the Departments of Work and Income, and Child Youth and Family.